STATE OF VERMONT

HUMAN SERVICES BOARD

In re	)	Fair Hearing No. 16,889
	)	
Appeal of	)	

INTRODUCTION

The petitioner appeals a decision of PATH terminating her Medicaid benefits due to excess income.

FINDINGS OF FACT

1. The petitioner is the single mother of two minor children and had been receiving Medicaid benefits following a work injury. Recently the petitioner began to receive worker's compensation benefits of $1,130.90 per month.

2. On January 9, 2001, the Department mailed a letter to the petitioner advising her that she would no longer be eligible for Medicaid as of January 19, 2001 due to excess income caused by her receipt of worker's compensation benefits. She was advised that she could be eligible for benefits during the next six month period if and when she incurred $498.84 in medical bills. She was also advised that she would be eligible for and was being placed on the VHAP program.

3. The petitioner's eligibility was determined by dividing her income in three parts, representing the three members of her household. Her one-third, or $376.97, was compared to a protected income level for one-third of a three person household (1/3 of $883 per month) or $294.33. Since her monthly income was $82.64 over the monthly maximum she was found ineligible for Medicaid. However that monthly excess was multiplied by 6 months to obtain a figure of $495.84, the amount which the petitioner was expected to "spend-down" on medical expenses before she could obtain benefits again.

4. The petitioner appealed this decision, not because she believes any of the calculations are wrong, but because she believes that her large prescription bills should be considered in determining her eligibility. VHAP pays for half of those bills but she is still left with about a $250 per month liability for medications. She does not have the money to pay this on a monthly basis. At the time of hearing on February 13, 2001, the petitioner expected to return to work in three to four weeks.

ORDER

The decision of the Department is affirmed.

REASONS

Medicaid regulations require that income from workers' compensation be counted fully in determining eligibility. M351. As the petitioner currently earns no income from employment, she is not entitled to any deductions for business expenses, employment expenses or dependent care expenses. See M352.1. The current maximum (Protected Income Level or PIL) for a three-person Medicaid family is $883. P-2420 B. The Department used calculation methods which deemed only 1/3 of the petitioner's income, or $376.97, available to her and used 1/3 of the PIL, or $294.33, as the standard against which her income was measured. This method is more favorable than using the entire $1,130.90 income against the $883 PIL which would have resulted in a much larger spend-down for the family. ($247.90 per month or $1,487.40 over six months as compared to $82.64 per month or $495.84 per six month period.) The petitioner was advised that she could apply for General Assistance if she could not receive necessary medications because she could not pay the up-front spend-down expenses. If she does go back to work by mid-March, the matter may be moot anyway as she has continued to receive Medicaid coverage pending appeal.

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